prominent Chief Finance Officers of the corporate sector was organised in the Ministry of Finance on 8th July, 2005. The main issues discussed in the meeting, *inter-alia*, included growth prospects and investment intentions of the corporate sector, expectation of inflation and interest rates, external environment for resource raising and management of forex exposure. The corporate sector made certain suggestions about the economic policies of the Government, which *inter-alia*, included policy reforms for the capital market, tax reforms and financial sector reforms.

(d) and (e) The Government has taken note of the suggestions received during the meeting by the Chief Financial Officers. The economic policy formulation is a continuous process and inputs of all stakeholders are duly considered and evaluated when the policy is formulated or revised.

**Availability of loans to small and marginal farmers**

†2856. SHRI LEKHRAJ BACHANI:
SHRI JAYANTILAL BAROT:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that small and marginal farmers are not getting benefited adequately despite increase in the availability of loans to agriculture sector;

(b) if so, the reasons therefor;

(c) whether Government are formulating any scheme to ensure that small and marginal farmers get loan without depositing security;

(d) if so, the details thereof;

(e) whether it is a fact that task force of Reserve Bank of India has suggested to set up a 'Risk Fund' in this regard; and

(f) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Disbursement by public sector banks to small and marginal farmers under Special Agricultural Credit Plan (SACP) amounted to Rs. 20,777 crore in 2004-05 as compared to

†Original notice of the question was received in Hindi.

Rs. 13,212 crore in 2003-04. Public Sector Banks have been advised to increase their disbursement to small and marginal farmers to 40% of their disbursements under SACP by March 2007. Cooperative Banks and Regional Rural Banks operate predominantly in rural areas and a large portion of their credit is extended to small and marginal farmers.

(c) and (d) Yes, Sir. Reserve Bank of India has issued instructions to Banks for providing loans upto Rs. 50,000/- without insisting on collateral and margins.

(e) Yes, Sir. The advisory Committee on Flow of Credit to Agriculture and Related Activities from the Banking System (Vyas Committee) has recommended setting up of an Agri-Risk Fund with equal contribution from Central and State Governments and participating Banks.

(f) As it will be difficult to administer Agri-Risk fund in the country, where size of land holding is very small and land records are incomplete, it may be a better option to subsidise the agriculture insurance premium rather than providing budgetary support to Agri-Risk Fund.

**Implementation of Varsha Bima Yojana**

2857. SHRI S. ANBALAGAN: Will the Minister of FINANCE be pleased to refer to answer to Starred Question No. 226 given in the Rajya Sabha on the 9th August, 2005 and state:

(a) whether it is a fact that the Varsha Bima Yojana is being implemented only in a few States;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Scheme is proposed to be extended to the whole of the country; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir.

(b) Varsha Bima-2005 was implemented in 130 India Meteorological Department (IMD) rain gauge station areas spread over 10 States *viz.* Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Tamil Nadu, Uttaranchal and Uttar Pradesh. The